

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|---|---|----------|
| THE APPLICATION OF PARKSVILLE WATER |) | |
| DISTRICT OF BOYLE COUNTY, KENTUCKY, FOR A |) | CASE NO. |
| CERTIFICATE OF PUBLIC CONVENIENCE AND |) | 98-503 |
| NECESSITY TO CONSTRUCT, FINANCE AND |) | |
| INCREASE RATES PURSUANT TO KRS 278.023 |) | |

O R D E R

On September 23, 1998, Parksville Water District ("Parksville District") submitted an application for a Certificate of Public Convenience and Necessity to construct a \$1,159,000 waterworks improvement project, for approval of its plan of financing for this project, and for adjustments to its water service rates. This project will provide new service to 118 additional customers. Project funding is a \$539,000 bond issue to be purchased pursuant to an agreement with the U. S. Department of Agriculture's Rural Development ("RD"), a \$585,000 grant from the RD, and a \$35,000 contribution from the Applicant.

Parksville District's application was made pursuant to KRS 278.023, which requires the Commission to accept agreements between water utilities and the U. S. Department of Agriculture or the U. S. Department of Housing and Urban Development and to issue the necessary orders to implement the terms of such agreements within 30 days of satisfactory completion of the minimum filing requirements. Given that minimum filing requirements were met in this case on September 23, 1998, KRS 278.023 does not grant

the Commission any discretionary authority to modify or reject any portion of this agreement.

IT IS THEREFORE ORDERED that:

1. Parksville District is hereby granted a Certificate of Public Convenience and Necessity for the proposed construction project.

2. Parksville District's proposed plan of financing with RD is accepted.

3. Parksville District is authorized to issue bonds not to exceed \$539,000.

4. Parksville District shall file a copy of the "as-built" drawings and a certified statement that the construction has been satisfactorily completed in accordance with the contract plans and specifications within 60 days of the substantial completion of the construction certificated herein.

5. The rates set out in Appendix A, which is attached hereto and incorporated herein, are the rates approved for service rendered on and after the date of this Order.

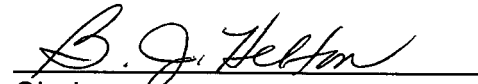
6. Parksville District shall submit its revised tariff setting out the rates in Appendix A within 30 days of the date of this Order.

7. Parksville District shall monitor the adequacies of the expanded water distribution system after construction. If the level of service is inadequate or declining or the pressure to any customer falls outside the requirements of 807 KAR 5:066, Section 5(1), Parksville District shall take immediate action to bring the system into compliance with Commission regulations.

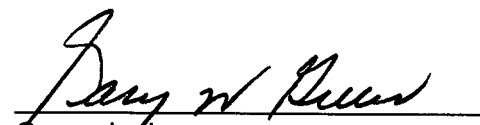
Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the financing herein accepted.

Done at Frankfort, Kentucky, this 20th day of October, 1998.

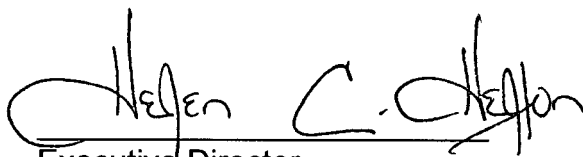
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 98-503 DATED OCTOBER 20, 1998

The following rates and charges are prescribed for the customers in the area served by Parksville Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

| | | | |
|----------|----------------|---------|-------------------|
| First | 1,000 gallons | \$14.00 | Minimum bill |
| Next | 4,000 gallons | 5.00 | per 1,000 gallons |
| Next | 5,000 gallons | 4.50 | per 1,000 gallons |
| All over | 10,000 gallons | 4.30 | per 1,000 gallons |